

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Auditor - Controller - Treasurer - Tax Collector	(2) MEETING DATE 3/15/2016	(3) CONTACT/PHONE Kerry Bailey 788-2979 Suzanne De Witt 781-4846	
(4) SUBJECT Submittal of a compliance audit of the concession contract with the Spirit of San Luis FY 2014-15. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board receive, review, and file the compliance audit of the concession contract with the Spirit of San Luis for fiscal year 2014-15.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____ ) <input type="checkbox"/> Board Business (Time Est. ____ )			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A    Date: <u>1/ 8/2013</u>	
(17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>			
(18) SUPERVISOR DISTRICT(S) All Districts			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: James P. Erb, CPA, Auditor - Controller - Treasurer - Tax Collector

DATE: 3/15/2016

SUBJECT: Submittal of a compliance audit of the concession contract with the Spirit of San Luis FY 2014-15. (All Districts).

## **RECOMMENDATION**

It is recommended that the Board receive, review, and file the compliance audit of the concession contract with the Spirit of San Luis for fiscal year 2014-15.

## **DISCUSSION**

The County has contracted with the Spirit of San Luis since 1998. The Spirit of San Luis restaurant operates daily, offering diners the options of breakfast, lunch and dinner. The unique setting allows patrons to access the restaurant by both airplanes and cars.

The purpose of our audit was to determine whether the concessionaire's internal controls were adequate to safeguard and accurately account for cash receipts and whether rent payments were accurately calculated and remitted in a timely manner to the County. We also determined whether the concessionaire maintained the level of insurance required in the contract.

## **OTHER AGENCY INVOLVEMENT/IMPACT**

Airports.

## **FINANCIAL CONSIDERATIONS**

The concessionaire's agreement requires submittal of rent based on a percentage of monthly gross receipts.

## **RESULTS**

We determined that the Spirit of San Luis was in compliance with the contract in all material respects and had adequate internal controls and insurance coverage. We also determined that rent payments were accurately calculated and received timely by Airport staff.

We offered one suggested improvement which is detailed in the attached report.

The ACTTC's program of periodic audits of contracted services helps maintain and improve internal controls and contract agreements thus contributing to the County's vision of a well governed community.

## **ATTACHMENTS**

1. Spirit of San Luis Final Report